

DEPARTMENT OF INSURANCE

Legal Division – San Francisco



File No. IH05048697

Date 10/18/05

**NOTICE OF INVESTIGATORY HEARING REGARDING ACQUISITION OF
CONTROL OF PACIFICARE LIFE AND HEALTH INSURANCE COMPANY BY
UNITED HEALTH GROUP**

NOTICE IS HEARBY GIVEN that a public hearing will be held regarding the proposed acquisition of PacifiCare Life and Health Insurance Company ("PacifiCare"), an Indiana Company by United Health Group, Inc. (UHG), an Indiana corporation. The hearing will be held as follows:

DATE Tuesday, November 1, 2005

TIME 9:00 a.m. - 2:00 p.m.

Department of Insurance
Ronald Reagan Building, Auditorium
300 South Spring Street
Los Angeles, CA 90013

UnitedHealth Group, Inc. proposes to acquire PacifiCare Life and Health Insurance Company and its affiliates by the merger of PacifiCare Health Systems, Inc. with and into Point Acquisition LLC, a newly formed limited liability company organized under the laws of the State of Delaware and a wholly owned subsidiary of UnitedHealth Group, Inc. pursuant to the terms of an Agreement and Plan of Merger dated as of July 6, 2005. PacifiCare Life and Health Insurance Company is a subsidiary of PacifiCare Health Systems, Inc. and is regulated by the Department of Insurance.

As a result of the merger, the separate corporate existence of PacifiCare Health Systems, Inc. will cease, and Point Acquisition LLC will survive as a wholly-owned subsidiary of UnitedHealth Group, Inc. Point Acquisition LLC, which will succeed to the rights and obligations of PacifiCare Health Systems, Inc. and which will be renamed PacifiCare Health Systems, LLC, will indirectly own all of the outstanding voting securities of PacifiCare Life and Health Insurance Company, which will become an indirect wholly-owned subsidiary of UnitedHealth Group, Inc. Alternatively, under certain conditions set forth in the Merger Agreement, the transactions contemplated by the Merger Agreement shall be effected by merging a direct wholly-owned subsidiary of UnitedHealth Care, Inc. with PacifiCare Health Systems, Inc. being the surviving entity. UnitedHealth Group, Inc. would also acquire control and ownership of PacifiCare of California, PacifiCare Dental and PacifiCare Behavioral Health, which like UnitedHealth Group Inc are regulated by the Department of Managed Health Care.

The purpose of this hearing is to elicit testimony and comments regarding the possible implications of the proposed merger. Topics to be covered during the hearing include, but are not limited to, the impact of the merger on price and quality of coverage for Californians, plans for future acquisitions by UHG, Inc., UHG, Inc.'s 'market conduct intentions regarding PacifiCare Life and Health Insurance Company , compensation to PacifiCare Life and Health Insurance Company 's executives and its impact on Californians, and financial oversight of the health care market by the Department of Managed Health Care and by the Department of Insurance.

The Commissioner wishes to hear testimony from the companies, consumers and other interested parties regarding the proposed merger. The hearing will be structured with priority given to witnesses who have made advance arrangements with or who have been invited by the Department to testify. As time permits, members of the public and other interested persons will be encouraged to testify.

All written materials, written testimony and written comments, unless submitted during the hearing, must be received by the Insurance Commissioner, c/o Mansour Salahu-Din, Senior Staff Counsel, 45 Fremont Street, San Francisco, CA 94105 (415) 538-4125, no later than **5:00 p.m.** on Tuesday November 15, 2005. Any written materials received after that time will not be considered. The Commissioner will accept written comments transmitted by e-mail provided they are sent to the following e-mail address: Salahu-DinM@insurance.ca.gov. The Commissioner will also accept written comments transmitted by facsimile provided they are sent to the following facsimile number: (415) 904-5729. **Comments sent to other e-mail addresses or other facsimile numbers will not be accepted. Comments sent by e-mail and facsimile are subject to the deadline for written comments set forth above.**

The facilities to be used for the public hearing are accessible to persons with mobility impairments. Persons with sight or hearing impairments are requested to notify Rosemary Lassiter at (213) 346-6272 for this hearing in order to make special arrangements, if necessary.

October 18 , 2005

Page 3

Please direct inquiries regarding opportunities to testify to:

NAME	NETTIE HOGE
TITLE	DEPUTY INSURANCE COMMISSIONER
ADDRESS	45 FREMONT STREET, SAN FRANCISCO, CA
PHONE	(415) 538-4377
E-MAIL	hogen@insurance.ca.gov

Dated: _____, 2005

JOHN GARAMENDI
Insurance Commissioner

By _____/s/_____
Gary M. Cohen
Deputy Insurance Commissioner